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Foreign CROPS AND MARKETS

VOLUME 66 NUMBER 14

DAIRY PRODUCTS (Page 312)

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FOR RELEASE

MONDAY

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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

LATE NEWS

Indonesia on March 14 suspended foreign exchange allocations for imports of wheat flour from all countries except Australia. Reasons given for the action were (1) wheat flour imports should be made only from Australia in order that the 70,000-ton import quota called for under the terms of the trade agreement with Australia could be filled; (2) imports from Australia meant more prompt delivery; and (3) dollar exchange, as a matter of principle, should be granted for capital rather than consumer goods.

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Effective May 31, 1953, Venezuela will require that all flour in bulk containers imported into that country must show the following information either incorporated into the label or on a sticker or tag firmly attached to the container - (1) the common name of the product in Spanish; (2) the name of the manufacturer, broker or exporter (this is interpreted as the name of the company responsible for the product; and (3) the net weight in the metric system.

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The 1952-53 cotton crop in Peru is forecast by private sources at 445,000 bales (of 500 pounds gross) including 52,000 bales of Pima and Karnak varieties (harvested in last half of 1952) and 393,000 bales of Tanguis (harvest begins in April). Last year's production of 418,000 bales included 26,000 of Pima and Karnak, and 392,000 of Tanguis. An increase in the Pima crop (1953-54) is expected to more than offset the decline in Karnak due to flood damage. A crop of about 61,000 bales of these two varieties is forecast.

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(Continued on Page 323)

FOREIGN CROPS AND MARKETS

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WORLD PRODUCTION OF DAIRY PRODUCTS, FOURTH QUARTER AND ANNUAL, 1952 1/

Fourth Quarter:

Over-all factory production of dairy products increased in many of the important dairy producing countries of the world in the fourth quarter of 1952 compared with the same quarter of 1951, according to information available to the Foreign Agricultural Service.

Conditions for milk production in the Southern Hemisphere were generally favorable in this quarter. In Argentina, the combination of increasing numbers of cows, good pastures and profitable milk prices resulted in a higher milk output than a year ago. Generally good weather in Australia and New Zealand kept milk production on a high level throughout the quarter.

In Europe, some reduction in cow numbers and unfavorable weather conditions reduced milk production in Denmark, Western Germany, the Netherlands, Sweden and Switzerland.

Mild weather and more cows being milked were contributing factors to the higher milk output in both Canada and the United States in the fourth quarter.

Butter production in factories in the final quarter of 1952 was up 6 percent over comparable 1951. Output increased in Argentina, Australia, New Zealand, the Netherlands, Norway, Canada and the United States, but decreased in all other countries reporting, namely the Union of South Africa, Denmark, Belgium, Western Germany, Sweden, Switzerland, the United Kingdom and Ireland.

Cheese output rose substantially in the October-December quarter compared with the same period a year earlier. Marked increases in production occurred in all countries in the Southern Hemisphere. Output also was above the 1951 level in Denmark, Norway, Sweden, Switzerland, the United Kingdom and the United States, but below in the Netherlands, and Canada.

Over-all canned milk production was higher in the fourth quarter of 1952 than a year earlier. All reporting countries showed gains with the exception of Canada.

Dried milk production increased more than any other dairy product, output for the quarter being markedly higher in all reporting countries than that of a year ago.

Prospects for the dairy industry in the Southern Hemisphere in the early months of 1953 are considered excellent. In both Australia and New Zealand, pasture growth has been heavy, and a satisfactory dairy season is anticipated. In the Union of South Africa, pastures are good, and a higher yield of both fodder and grain feeds is expected. Pastures in Argentina have been ample so far in 1953. Milk supplies probably will continue above domestic requirements through April.

1/ A more extensive statement will soon be published as a Foreign Agricultural Circular available from the Foreign Agricultural Service, U.S. Department of Agriculture, Washington 25, D. C.

FACTORY DAIRY PRODUCTS: Output in principal producing countries, 4th Quarter (calendar) 1952, with comparisons

Country and Product	Average 1934-38	Average 1946-50	Total 1951	Total 1952	1951 4th Quarter	1952				Fourth Quarter 1952/51
						1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
BUTTER										
Canada	1/ 254,774	277,868	257,604	280,970	47,549	27,138	93,084 2/	106,528	54,220	114
United States	1,673,328	1,301,830 2/	1,212,614	1,205,700 2/	225,466 2/	249,870 2/	369,310 2/	324,670	261,850	116
Belgium	46,179	55,353 2/3/	74,551 3/	74,743	15,855 2/	12,293	23,446	23,444	15,560	98
Denmark	400,660	318,697	370,593	337,304	75,618	70,988	100,310 2/	92,592	73,414	97
Finland	61,287 4/	61,215	91,491	—	—	—	—	—	—	-
France 5/	6/ 529,000	390,471 6/	584,000	—	—	—	—	—	—	-
Germany, Western	7/8/ 560,000 4/	492,188 2/	607,808	596,565	140,382 2/	125,883 2/	179,014 2/	168,872	122,796	87
Ireland	89,400	68,648	72,838	73,787	14,643	3,738	25,612	32,243	12,194	83
Netherlands	201,000	155,620	184,274	161,793	34,088	25,560	51,162 2/	49,577	35,494	104
Norway	24,930	20,049	24,647	22,707	3,055	4,061	8,623	6,642	3,381	111
Sweden	152,769	216,442	234,322	206,317	46,839	44,237	58,070	61,731	42,279	90
Switzerland 5/	57,760	36,949	55,115 9/	49,163 2/	10,338	9,261 2/	15,172	15,057	8,458	82
United Kingdom	44,200	23,825	12,634	15,680	1,120	2,061	9,453	3,405	761	68
Argentina	65,742	100,657	94,884	102,580	20,666 2/	27,624	22,046	19,841	33,069	160
Union of So. Africa	10/ 27,725	44,845	65,867	61,315	17,227	19,097	13,996	12,071	16,151	94
Australia	8/ 415,250	354,371 2/	314,330	332,793	104,919	71,998	55,615 2/	74,599	130,581	124
New Zealand - Total	8/ 366,912	346,095	409,752	435,075 2/	174,250	137,536	38,326 2/	79,341	179,872	103
Export Gradings	11/ 322,796	301,826 2/	356,920	367,879 2/	153,620	120,302	28,327	61,484	157,766	103
CHEESE										
Canada	1/ 119,924	114,329	85,260	65,221	14,629	3,880	22,481	27,034	11,826	81
United States	643,234	1,156,005 2/	1,162,082	1,194,055 2/	215,151 2/	225,655 2/	382,400 2/	333,960	252,040	117
Denmark	68,820	123,634	170,636	187,391	31,305	33,730	61,288 2/	56,218	36,155	115
France 12/	6/ 584,000 13/	424,070 6/	617,000	—	—	—	—	—	—	-
Italy 12/	523,513	491,326 6/	613,000	—	—	—	—	—	—	-
Netherlands	6/ 200,000	176,926	265,257	275,307	53,534	38,552	98,547 2/	87,999	50,209	94
Norway 14/	39,067	35,564	63,929	67,461	10,319	13,913	22,835	19,254	11,459	111
Sweden	76,059	115,005	120,007	132,219	21,437	25,097	44,621	39,749	22,752	106
Switzerland 14/	111,729	107,232 2/	112,655 9/	123,458 2/	19,901	16,428	35,913	40,986	20,765	104
United Kingdom 5/	109,000	69,664	98,516	123,200	9,498	24,461	44,666	36,333	17,740	187
Argentina	67,873	203,830	186,210	224,131	58,835 2/	60,990 2/	46,297	39,683	77,161	131
Union of So. Africa	10/ 10,195	17,967 2/	21,088	21,338 2/	5,693 2/	5,901 2/	4,811	4,696	5,930	104
Australia	8/ 48,400	98,396	93,242	99,400	39,165 2/	18,555	10,841	24,893	45,111	115
New Zealand - Total	8/ 210,911	216,842 2/	228,414	226,263 2/	92,871	61,501	18,906	35,840	102,816	111
Export Gradings	11/ 204,110	205,962 2/	218,616	217,486	86,739	72,809	27,015	20,045	97,617	112

CANNED MILK										
Canada 15/	1/ 104,335	266,532	327,844	336,557 2/	53,072	48,399	128,544	114,674	44,940	85
United States 15/	2,469,535	4,319,768 2/	3,913,593	3,817,995 2/	636,726 2/	737,150 2/	1,278,140 2/	1,070,760	731,945	115
Cuba	16/ 32,564	36,655	45,192	—	12,726	5,040	8,400	—	—	-
Denmark	40,785	58,701	87,355	—	—	—	—	—	—	-
France	17/ 28,953 16/	57,984	—	—	—	—	—	—	—	-
Netherlands	309,952	181,222 2/	405,265	514,565	92,575	99,463	145,805 2/	141,806	127,491	138
Switzerland	14,198	13,031	—	—	—	—	—	—	—	-
United Kingdom	378,560	216,787	176,512	—	15,232	23,565	145,062	38,886	—	-
Argentina	18/ 3,159 16/	11,914	—	—	—	—	—	—	—	-
Australia	8/ 41,894	132,745 2/	151,419	149,204	59,918	31,212	19,985 2/	30,686	67,321	112
New Zealand	16/ 11,273	—	—	—	—	—	—	—	—	-
DRIED MILK 19/										
Canada	1/ 26,079	70,876	70,179	102,071 2/	14,105	9,083	31,136	37,709	24,143	171
United States	16/ 203,555	913,436 2/	833,482	940,280 2/	113,713 2/	185,185 2/	352,325 2/	232,565	170,205	150
Belgium	5,500	6,607	17,279	21,848	1,950 2/	1,097	9,548	8,664	2,539	130
Denmark	2,205	16,866	—	—	—	—	—	—	—	-
France	17/ 7,685 16/	3,308	—	—	—	—	—	—	—	-
Netherlands	56,438	54,468 2/	75,433	108,774	10,208	12,207	46,197 2/	39,109	11,261	110
Sweden	1,351	24,566	17,789	27,979	2,641	4,714	9,134	9,947	4,184	158
Switzerland	7,187	8,907	—	—	—	—	—	—	—	-
United Kingdom	43,098	73,848	50,086	—	3,494	8,423	32,525	12,096	—	-
Argentina	18/ 3,977 16/	14,070	—	—	—	—	—	—	—	-
Australia	8/ 16,971	54,235 2/	57,019	70,228	26,615	13,901	6,467 2/	14,488	35,372	133
New Zealand	20/ 17,429	—	—	—	—	—	—	—	—	-

1/ Average 1935-39. 2/ Revised. 3/ Total production in 1951 is estimated at 169,476,000 pounds, and in 1952 at 158,511,000 pounds. 4/ Average 1948-50. 5/ Total production. 6/ Estimated. 7/ Average 1935-38. 8/ Production year ending June 30. 9/ Annual production figures more complete than monthly figures used in quarterly data. 10/ Production year ending August 31. 11/ Marketing year ending July 31. 12/ Total cheese, and includes cheese made from the milk of sheep and goats. 13/ For 1948. 14/ Total cheese and includes cheese made from the milk of goats. 15/ Both bulk and case goods. 16/ Less than a 5-year average. 17/ For 1937. 18/ For 1939. 19/ Total dried-whole and dried-skim milk for human consumption. 20/ For 1938.

Foreign Agricultural Service. Prepared or estimated from official statistics, U. S. Foreign Service reports, and other information.-April 6, 1953.

Milk output in Belgium is increasing in the opening quarter of 1953. Deliveries to dairies are high and butter production is above last year. Milk and butter output in Denmark have been favored by mild weather. In Switzerland, milk production is expected to exceed 1952. While butter production probably will decline, an increase in the output of both cheese and canned milk is expected.

In Canada, milk production in 1953 may be slightly higher. Cow numbers are up slightly. Feed grains are at record levels and roughage is adequate.

Annual

The year 1952 as a whole was favorable for the production of dairy products, over-all output of which was higher than in 1951. The year closed with conditions very favorable for milk production in most Southern Hemisphere countries with output for the year running ahead of 1951. Milk production in some European countries, particularly Denmark, the Netherlands, Sweden and Switzerland in 1952 did not quite measure up to 1951 output, due largely to fewer milk cows at the beginning of the year.

Some tendency for fluid milk consumption to level off or decrease slightly left somewhat more milk available for manufactured dairy products.--By Regina M. Murray, based in part upon U. S. Foreign Service reports.

1953-54 PLANTED ACREAGE OF COTTON IN MEXICO AT RECORD LEVEL

The area planted to cotton in Mexico for the 1953-54 crop may be the largest on record, probably exceeding the 1952-53 plantings by about 2 percent, according to P. Miner of the American Embassy staff, Mexico City. A substantial increase in this year's planted acreage in Matamoros is more than offsetting declines elsewhere in Mexico. The total area harvested in 1952-53, when abandonment was very heavy because of drought and insect damage, is now estimated at 1,864,000 acres.

Although official production estimates are not yet available, early-season prospects appear moderately favorable for dry-land acreages but yield indications for the irrigated crop are being reduced because of inadequate supplies of water. In 1952-53, Mexican production totaled 1,262,000 bales (500 pounds gross), according to unofficial reports.

Stocks of raw cotton held on March 10, 1953, totaled about 355,000 bales (500 pounds gross), most of which was 1952-53 cotton. All except about 30,000 bales in the Laguna District have been disposed of by the producers. Exports, including transshipments through the United States, during August-December 1952 totaled 538,000 bales compared with 515,000 bales during these months in 1951. Exports during July 1952 (first month of the Mexican cotton-marketing year) totaled 98,000 bales.

Exports to Japan have been very heavy thus far in 1952-53. Effective December 26, 1952, the official valuation of Mexican cotton for export tax purposes was reduced by an amount sufficient to save shippers approximately $2.50 U.S. currency per bale. This action was prompted by the sharp price decline in the international cotton market.

Consumption of raw cotton in Mexico during the 1951-52 season totaled about 330,000 bales. It now appears that a somewhat smaller amount, perhaps only about 300,000 bales, may be consumed in 1952-53.

In Matamoros, the largest cotton-producing area in Mexico, about 1,000,000 acres are being planted this season compared with last season's planted area of about 800,000 acres. However, abandonment was very heavy in 1952-53 (about 300,000 acres) as a result of drought and the most severe insect infestation on record. Returns to growers were low last season because of poor yields, declining prices, and large-scale use of expensive insecticides. Planting conditions this season were the most favorable since 1948 with rainfall during November and December 1952 providing ample subsoil moisture for the dry-land acreages. It is expected that earlier-than-usual plantings may eliminate the necessity for extensive application of insecticides. Several steps were taken to encourage large plantings this year. Some companies reportedly issued planting seed to farmers without cash advances and various other financial arrangements have also been made to assist growers.

In Laguna, the damage from insects and disease in 1952-53 was considerably above average, although not as severe as in Matamoros, with most of the crop being of good quality. The principal problem confronting Laguna farmers this year is the lack of irrigation water. Various efforts are being made to prepare additional wells and to provide financial assistance to growers. It now appears that the 1953-54 planted acreage will be slightly larger than the 248,000 acres which were harvested in 1952-53.

Farmers in Mexicali, despite a record crop in 1952-53, are reducing this year's acreage somewhat because of last season's discouraging prices. Insect damage to the past crop was negligible and yields per acre were about the same as in 1951-52. Water deliveries for irrigation during the 1953-54 cotton-growing season (March-September) are expected to be reduced about 10 percent below the preceding season.

Lack of irrigation water, particularly in the Culiacan and El Fuerte Valleys, is the major reason for reduced acreages in the Sinaloa-Sonora District --about 370,000 planted acres in 1953-54 compared with last season's harvested acreage of 409,000 acres. Cotton exporters are now permitted to use Guaymas (in the State of Sonora) as a port of exit. This is expected to facilitate the marketing of west coast cotton. In the remaining cotton-producing areas of Mexico, i.e., Delicias, Juarez, Don Martin, and others, it appears that the 1953-54 planted acreage is about 10 percent below the 1952-53 harvested acreage.

INDIA'S COCONUT PRODUCTION INADEQUATE FOR DOMESTIC NEEDS

India's coconut production in 1952 is estimated at 3.4 billion nuts or approximately the same as the previous year, according to information from the American Consulate, Madras. India ranks third in world coconut production, next to the Philippines and Indonesia. However, production is inadequate to meet consumer demand and India imports additional supplies.

The Indian Central Coconut Committee (ICCC) estimates that 46 percent of net available coconuts is converted to copra. Allowing 6,800 coconuts to one long ton of copra, supplies of copra in India during 1952 totaled 249,956 long tons as shown below:

	Number
Coconut production	3,400,000,000
Coconut imports	1,053,274
Total	3,401,053,274
Quantity available for conversion into copra (46%)	1,564,484,506

	Long tons
Copra production	230,072
Copra imports	19,884
Total	249,956

It is estimated that about 80 percent of the copra produced in India is used for milling and the balance for edible purposes. The milling is done principally in the coconut producing areas of the West Coast and in Bombay. The yield of oil varies from 58 to 65 percent, the average being about 62. Coconut oil production in India during 1952 is estimated at 125,017 tons.

With production of oil estimated at 125,017 tons and imports of oil at 24,366 tons, supplies available during 1952 totaled 149,383 tons.

The bulk of the coconut and copra exports were purchased from Ceylon, while the major sources of coconut oil were Ceylon and Malaya.

In view of the large deficit in coconut supplies in India, the ICCC is reported to have launched an all-out effort to grow more coconuts. In order to encourage new plantings, the ICCC, with the collaboration of various State Governments, operates about 30 coconut nurseries from which about 500,000 quality seedlings are produced and distributed every year at an especially low price of 8 annas (10.5 cents) each. In addition, about 10,000 quality seedlings are reported to be produced annually at the ICCC's Research Station at Kasaragod, South Kanara for supply mainly to growers outside Madras State.

BURMA'S PEANUT PRODUCTION EXPECTED TO INCREASE

The Burmese Government's program to increase the production of peanuts in 1953-54 has a good chance of success, reports J.H. Boulware, American Embassy, Rangoon. As a part of its plan to rehabilitate the economy of the country, the Government is emphasizing an increase in the acreage of peanuts and coconuts (as well as rice and onions) in 1953. The goal is to have an additional 100,000 acres of peanuts planted in 1953-54. Despite a fall in prices, oilseed crops are profitable and the bonus of 15 kyat ($3.15) per acre for additional plantings of peanuts should provide an incentive for substantial plantings. Security conditions have improved, and experience shows that farmers will increase plantings if given a reasonable opportunity to do so.

Burma's oilseed production in 1952-53 was slightly higher than the previous year with peanuts continuing to be by far the major source of vegetable oil. Peanut plantings were significantly larger than in 1951-52, but unseasonable late rains damaged the crop in the Delta area so that the production estimate was revised downward to 199,000 short tons compared with 198,000 tons in 1951-52.

Sesame production in 1952-53 was estimated at 61,260 tons or about 10 percent above the previous year and slightly above the 1936-40 average. If this estimate is not reduced, it will mark the first time since 1946 that production of a major crop has exceeded the prewar average.

Cottonseed production in 1952-53 is calculated at 20,400 tons (14,870 in 1951-52) on the basis of official estimates of lint production. However, private estimates indicate that actual seed production was probably nearer 40,000 tons (possibly 30,000 in 1951-52).

Vegetable oil imports through the Port of Rangoon during calendar year 1952 totaled 33,271 tons as follows: peanut oil-9,597; coconut oil-22,929; linseed oil-388; and other oils-357 tons. About 98 percent of all imports are through this Port.

Oil imports continued to be made under open general license. The freedom from import restrictions and the 5-year trade agreement with India for 8,000 tons (long) of peanut oil yearly have resulted in a stepped-up rate of imports.

Definitive export data are not available. The exports of peanuts and sesame oils continued in 1952 to be prohibited, and the only significant oil or oilseed shipments were limited quantities of tung oil and mustard seed. A trade source reports that the 1951-52 tung crop was poor but that the 1952-53 crop is excellent.

MEXICO'S MARGARINE CONSUMPTION INCREASING

The use of margarine in Mexico tended to increase in 1952 when high prices for butter placed that product outside the reach of all but the higher income groups, reports A.M. Gomez, Assistant Agricultural Attache, American Embassy, Mexico City. At the same time advertising campaigns have succeeded in gaining wider acceptance for margarine, available at a much lower price than butter, but which up to recently the public was reluctant to consume.

Margarine production is still very small in Mexico. The total quantity sold as margarine has been estimated at only about 500 tons a year, although this may have increased considerably last year. Output, however, is expected to increase substantially in 1954 when a new dairy products plant in Mexico City is scheduled for operation. In addition to producing butter, cheese, mayonnaise and powdered milk, this plant will have a daily capacity for 8,000 kilograms (17,637 pounds) of margarine.

The practice of using margarine and vegetable shortening to adulterate butter, which, until recently, was widely prevalent in Mexico, is now reported to be gradually disappearing. This has resulted partly from the recent acceptance by the public of margarine as a butter substitute and partly from a change in the policy of the Ministry of Health toward these products.

ARGENTINA'S ANIMAL FAT EXPORTS REACH NEW LOW IN 1952

Argentine exports of animal fats and oils reached a new postwar low in 1952 when total shipments amounted to only 3,174 tons, against 14,842 tons in 1951 and 78,338 tons in 1950, reports M.B. Steele, American Embassy, Buenos Aires. Exports of animal fats and oils from Argentina averaged about 72,000 tons during 1935-39. The reduction in exports in the past 2 years is primarily due to the fact that domestic demand is currently about equal to domestic production. In addition stocks of animal fats were virtually depleted in 1950 because of unusually heavy shipments in the first 10 months of that year.

Of the total quantity exported during 1952, 2,884 tons were lard, 257 tons were primer jus, and 33 tons were tallow. Lard exports principally were to Brazil, Italy, Peru, and Finland. The primer jus went to the United Kingdom and the Netherlands, and the tallow to Chile.

Trade sources report that the Argentine Trade Promotion Institute has liquidated lard holdings by selling about 3,300 tons to Brazil at 4 pesos per kilogram (24.2 cents per pound), for 1953 shipment.

U.K. WOULD BUY LARD WITH DOLLAR ALLOCATIONS

United Kingdom officials have indicated that such dollar allocations as are made to the Ministry of Food for the importation of fats and oils will be used for the importation of lard as no other fats and oils are being bought with dollars, according to Eric Englund, Agricultural Attache, American Embassy, London.

Prices of United States lard, although increased somewhat recently, are still regarded by U.K. officials as definitely favorable. And lard is a preferred cooking fat among British consumers. This preference for lard is said to be so firmly rooted that it would not soon change, even though imports, for reasons of limited dollar exchange, were to remain restricted for some time. This was emphasized further by the expressed opinion that if fats and oils in general were decontrolled, at least as much lard would be imported as before the war.

IMPORTS OF COTTON INTO JAPAN CONSIDERABLY ABOVE 1951-52

Imports of cotton into Japan during August 1952-January 1953 totaled 1,094,000 bales (500 pounds gross) compared with 738,000 bales during the comparable period a year earlier. Of the 1952-53 imports, 338,000 bales were received from Mexico compared with only 93,000 bales during the first half of 1951-52. In contrast, imports from the United States--usually the principal source of supply--amounted to only 332,000 bales to the end of January, about 210,000 bales less than the quantity imported during August 1951-January 1952. Other important sources of cotton for Japan during the first 6 months of the current season were Pakistan (158,000 bales), India (111,000 bales), and Egypt (36,000 bales).

Consumption of raw cotton in Japan showed a steady rise during the first 3 months of the current season, totaling 164,000 bales (500 pounds gross) in August, 169,000 bales in September, and 172,000 bales in October. It then declined slightly to a 167,000-169,000 level during both November and December. It appears that consumption declined rather sharply in January, totaling about 150,000 bales (preliminary).

According to an announcement on February 19, 1953, however, the recommended limit for cotton yarn production during each of the months of March, April, and May, was increased to 160,000 bales from the 150,000-bale ceiling in effect during January and February 1953. In calculating production quotas for March, April, and May, 22,000 of the 160,000 bales for each month are being based on export performance and the remainder upon spindleage. Spinners are being permitted a leeway of 10 percent above or below their respective quotas for any one month depending upon individual circumstances.

The cumulative total for August-January 1953 is about 990,000 bales. Consumption during the entire 1951-52 season totaled 1,808,000 bales compared with 1,590,000 bales in 1950-51.

Consideration is reportedly being given to a plan which would limit the production of cotton yarn by allocating raw cotton rather than by continuing the present direct limitation on yarn production. Under this proposed plan, foreign exchange would be allocated to the various mills for purchasing cotton on a quarterly basis. This exchange would be sufficient to purchase the raw cotton needed to produce about 160,000 bales of cotton yarn each month.

Exchange needed for purchasing the required cotton for spinning 110,000 bales would be distributed on the basis of installed spindleage and the remaining exchange (for purchasing cotton to spin 50,000 bales yarn) would be allocated to mills in proportion to their textile exports in the preceding quarter. These 110,000 and 50,000 figures would not remain unchanged from month to month but would vary according to the domestic and foreign demand. It appears that this, or some similar plan, may be adopted in the near future as an announcement was made on March 5, 1953, which indicated that all restrictions on yarn production were being removed, effective July 1, 1953.

During January 1953, Japan exported 978,000 pounds of cotton yarn and 49,537,000 square yards of cotton fabrics. These figures are substantially below exports during the same month a year earlier when Japan exported 2,922,000 pounds of cotton yarn and 85,298,000 square yards of cotton fabrics.

On February 28, 1953, there was a total of 7,476,000 operable spindles in the Japanese industry, practically unchanged from the 7,468,000 of a month earlier.

Stocks of cotton held at the beginning of this season (August 1, 1952) totaled 514,000 bales (500 pounds gross), a decrease of 161,000 bales from a year earlier. Stocks have increased since August 1 as imports during the first half of this season exceeded the quantity consumed by over 100,000 bales but are not considered excessive in view of the current level of consumption, about 1.9 million bales annually.

AUSTRALIA'S EXPORTS OF WOOL UP

Exports of wool from Australia for the first 7 months of the current wool season (July-January) are running about 33 percent above exports for the same period last year. Exports in all classes shared in the increase with the greatest gain being made in exports of tops, which were up about 4 times over last year.

United States share in Australian exports during the period amounted to only 7.5 percent compared with 20-25 percent in some postwar years. This country was, however, an important factor in the market for noils, having received about 74 percent of the exports of this class, reflecting the demand on the woolen side of the industry in this country.

WOOL: Total Australian exports July-January 1952-53 season with comparison and exports to United States by class.

Type	Total 1952	Total 1953	Total Percent of 1952	United States 1953	United States Percent of total
	1,000 lbs.	1,000 lbs.		1,000 lbs.	
Greasy..........	419,639	559,912	133	39,179	7.0
Scoured and washed.........	35,242	40,143	144	5,976	14.9
Carbonized......	7,972	10,119	127	111	1.1
Noils..........	1,365	1,755	129	1,294	73.7
Tops...........	1,436	5,013	349	1/	-
Waste..........	4,029	7,172	178	517	7.2
Total........	469,683	624,114	133	47,077	7.5

1/ Export quantity not available-known to be small.

RISE IN AUSTRALIAN
WOOL RECEIPTS INTO STORE

Receipts of wool into store during the 8 months July 1952 through February 1953 amounted to 3,314,880 bales of which 3,232,311 bales were from the 1952-53 clip. This compares with the revised estimate of the National Council of Wool Selling Brokers and the Australian Wool Growers Council of 3,640,000 bales expected receipts into store for the entire season. This would indicate that slightly over 400,000 bales are in the hands of growers in addition to the 788,474 bales which were in store unsold at the end of February or a total of nearly 1,200,000 bales at the beginning of March. A total of 2,507,303 bales had been sold at auction and 19,103 bales had been shipped abroad for sale, leaving 788,474 bales in store at the end of February. Receipts of the current season's clip to the end of February were 305,742 bales (10.4 percent) greater than receipts of 1951-52 wool to the end of February 1952, while unsold stocks on February 28, 1953 were 122,893 bales (18.5 percent) larger than unsold stocks at the end of February 1952.

Sales of wool during the month of February in the various Australian center aggregated 424,788 bales of greasy wool and 6,785 bales of scoured wool. Average prices received were 81.8 cents per pound for greasy wool and $1.06 per pound for scoured wool, as compared with prices during February 1952 of 66.5 cents per pound for greasy wool and 93.0 cents per pound for scoured wool.

The average prices per pound received for greasy and scoured wool during the first 8 months of the current fiscal year were 76.0 cents and 99.9 cents respectively, compared with average prices of 72.2 cents and 99.9 cents during the first 8 months of the 1951-52 year.

The average net weight per bale of the greasy wool sold during the first 8 months of the current season was 303.9 pounds, as compared with 296.5 pounds in the corresponding months of 1951-52.

EGYPTIAN COTTON BEING BARTERED FOR WHEAT

Barter agreements, consumated on March 10, 1953, provide for the exchange of about 58,200 bales (500 pounds gross) of Egyptian cotton (instead of 82,500 bales reported earlier and published in the March 16, 1953, issue of Foreign Crops and Markets) for 115,000 tons of wheat (4,225,000 bushels); 90,000 tons Soviet (3,307,000 bushels), 15,000 tons Bulgarian (551,000 bushels), and 10,000 tons Polish (367,000 bushels). Credits totaling ĿE 5,060,000 (approximately 14-1/2 million U.S. dollars) and extending for 120 days are to be opened at the National Bank of Egypt in favor of the wheat-selling countries for the exclusive use of buying cotton under the terms of these agreements.

Separate contracts were prepared between the Government of Egypt and the Soviet Union, Bulgaria, and Poland, for setting forth the types of cotton to be delivered under these agreements. The 45,500 bales to be shipped to the Soviet Union are of Karnak variety. Varieties to be shipped to the other two countries were not mentioned in the report. All cotton is to be delivered f.o.b. at Alexandria by an Egyptian export firm designated to act on behalf of the Egyptian Government. It is to be sold at current market value, including the normal Egyptian Government taxes, such as export and quay taxes.

All wheat is to be delivered to Egypt in bulk before May 31, 1953, with the cost, insurance, and freight being paid to Alexandria. The exchanges are to be based on 9.05 tons of wheat valued at ĿE 40 per metric ton c.i.f. (approximately $3.13 a bushel) against one ton of cotton. Inasmuch as government sales prices are based on New York quotations, these barter transactions should have little effect on the market value of Egyptian cotton.

The last previous barter agreement involving Egyptian cotton and Soviet wheat was consummated on February 23, 1952, with both commodities being shipped between March 1 and June 30, 1952. Under this agreement about 92,000 bales (500 pounds gross) of Egyptian cotton were exchanged for 200,000 metric tons of Soviet wheat.

LATE NEWS

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The 1952-53 cotton crop in Paraguay, the harvest of which is now under way, is estimated at about 54,000 bales (500 pounds gross). Production totaled 73,000 bales in 1951-52. This season's harvested acreage is now estimated at about 128,000 acres compared with 183,000 acres a year earlier.